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SENATE BILL 420

**49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009**

INTRODUCED BY

Eric G. Griego

AN ACT

RELATING TO PUBLIC FINANCE; ENACTING A NEW SECTION OF THE SEVERANCE TAX ACT TO PROVIDE FOR INVESTMENT OF A PORTION OF THE SEVERANCE TAX PERMANENT FUND IN GREEN INDUSTRIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Severance Tax Act is enacted to read:

"[NEW MATERIAL] INVESTMENT IN NEW MEXICO GREEN INDUSTRIES.--

A. No more than six percent of the market value of the severance tax permanent fund may be invested in New Mexico green industries under this section.

B. If an investment is made under this section, not more than fifteen million dollars (\$15,000,000) of the amount authorized for investment pursuant to Subsection A of this

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1 section shall be invested in any one New Mexico enterprise that  
2 provides jobs in green industries.

3 C. The state investment officer shall make  
4 investments pursuant to this section only upon approval of the  
5 state investment council after a review by the council. The  
6 state investment officer may make debt or equity investments  
7 pursuant to this section only in New Mexico green industries  
8 that provide jobs located in New Mexico.

9 D. The green jobs cabinet shall investigate all  
10 applications for investments pursuant to this section and shall  
11 certify the approved applications to the state investment  
12 officer.

13 E. The state investment officer may loan at a  
14 market rate of interest, with respect to an eligible New Mexico  
15 green industries enterprise, up to eighty percent of an  
16 expected and estimated tax credit available to a green  
17 industries enterprise pursuant to the provisions of the Income  
18 Tax Act or the Corporate Income and Franchise Tax Act; provided  
19 that the enterprise agrees to name the state investment officer  
20 as its agent for the purpose of filing an application for the  
21 tax credit to which the company is entitled if the company does  
22 not apply for the tax credit. The state investment council  
23 shall determine the estimated amount of a tax credit and shall  
24 establish guidelines for the state investment officer's  
25 initiation of a loan and the terms of the loan.

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1 F. As used in this section, "green industries"  
2 means industries that contribute directly to preserving or  
3 enhancing environmental quality by reducing waste and pollution  
4 or producing sustainable products using sustainable processes  
5 and materials and that provide opportunities for advancement  
6 along a career track of increasing skills and wages. Green  
7 industries include:

8 (1) energy system retrofits to increase energy  
9 efficiency and conservation;

10 (2) production and distribution of biofuels  
11 and vehicle retrofits for biofuels;

12 (3) building design and construction that meet  
13 the equivalent of best available technology in energy and  
14 environmental design standards;

15 (4) organic and community food production;

16 (5) manufacture of products from non-toxic,  
17 environmentally certified or recycled materials;

18 (6) manufacture and production of sustainable  
19 technologies, including, but not limited to, solar panels, wind  
20 turbines and fuel cells;

21 (7) solar technology installation and  
22 maintenance;

23 (8) recycling, green composting and  
24 large-scale reuse of construction and demolition materials and  
25 debris; and

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(9) water system retrofits to increase water efficiency and conservation."